

**U.S. House of Representatives
Committee on Energy and Commerce
Post Katrina Health Care: Continuing and Immediate Needs
in the New Orleans Region**

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Subcommittee on Oversight and Investigations**

**Testimony of Dr. Kevin U. Stephens, Sr., MD, JD
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I am Dr. Kevin U. Stephens, Director of the City of New Orleans Health Department. To Chairman and Congressman Bart Stupak, Ranking Member and Congressman Ed Whitfield, and distinguished members and guests of the Subcommittee on Oversight and Investigations of the United States House of Representatives' Committee on Energy and Commerce: Thank you for inviting me here today to speak on the state of healthcare in New Orleans. Mayor C. Ray Nagin and his administration welcome dialogue and are hopeful that this hearing will spur positive change as we work to not only rebuild our city's infrastructure and neighborhoods, but also to develop a state-of-the-art, modern healthcare system.

I would like to acknowledge and thank Secretary Michael Leavitt, represented on the panel by Leslie Norwalk, for all the support the Department of Health and Human Services has given to the City of New Orleans Health Department. Secretary Leavitt and I first met on August 24, 2005, less than one week before Hurricane Katrina, when we both visited the Ponchartrain Senior Center and talked with community leaders and senior citizens about Medicare. We developed a professional relationship which has continued in the aftermath of Hurricane Katrina. Additionally, I would like to thank Dr. Fred Cerise,

Director of the Louisiana Department of Health and Hospitals, for his support to our city. Finally, I would like to acknowledge Dr. Robert Lynch of South Central Veterans Affairs Health Care. New Orleans has had a long relationship with the local Veteran's Affairs hospital, and we look forward to strengthening our partnership with it.

Our Health Challenges

Louisiana has historically ranked among the country's lowest in health outcomes. For more than 10 years, Louisiana has been either 49th or 50th in state health rankings according to the *United Health Foundation's America's Health: State Health Rankings*. The report uses nine risk factors to support the rankings, such as the percentage of smokers in the State, and eight health outcomes, such as cancer deaths per 100,000 residents. In addition to the high risk factors in the state, citizens without the means to purchase private health care have suffered from a lack of medical resources and facilities, contributing to significant health problems. This highlights the necessity for a stronger, proactive local healthcare delivery system.

Charity Hospital has long been the primary source of healthcare for the indigent and uninsured in New Orleans. In 1992, Charity and University Hospitals merged to form the Medical Center of Louisiana at New Orleans (MCLNO). The complex developed a reputation as one of the best Level I Trauma Centers in the country -- the only one along the Gulf Coast -- and as an excellent training facility for health professionals. Many without private health insurance relied on its clinics as their main source for primary healthcare.

Recent severe budget cuts forced the MCLNO to close walk-in clinic, some operating rooms and some hospital beds. These cuts translated into decreased access to primary and preventive healthcare services for those who had few alternatives.

The City's 13 health clinics as well as other state and non-profit clinics also provided services to our citizens. However they lacked the capacity to meet the community's entire need for healthcare.

Problems Exacerbated by Hurricane Katrina

While the situation was dire, it was soon to reach crisis level. Hurricane Katrina, which struck on August 29, 2005, was the largest and most costly natural disaster in American history. More than 1,400 Louisiana residents lost their lives. Katrina also produced the first mandatory evacuation in New Orleans history, and the largest displacement of American citizens in U.S. history -- 1.3 million people. More than 200,000 New Orleanians remain displaced.

It is estimated that New Orleans sustained 57 percent of all the damage in Louisiana. Pre-Katrina, there were 215,000 housing units, 188,251 of which were occupied. More than 70 percent of the occupied units -- 134,344 units -- sustained reportable damage, and 105,155 were severely damaged. Residential damage in New Orleans was \$14 billion. In addition, every hospital and medical facility in Orleans Parish was closed.

Since the storm and floods, only four of the eight hospitals in the parish have reopened, all at decreased capacity. The City's Health Department, which employed more than 200

health professionals, lost more than 60 percent of its staff and closed eight of its 13 clinics. Yet, as traumatic as this devastation was, it has given us a unique opportunity to redesign and rebuild a model healthcare delivery system that corrects the gaps and failures of the past.

New Orleans' population, which was more than 450,000 before Hurricane Katrina, is now estimated to be between 230,000 and 250,000 citizens. Even with the temporarily reduced population, approximately 20 percent of our citizens, more than 38,000 people, are uninsured. The City also has a rapidly increasing indigent worker population. Providing healthcare services to these uninsured citizens has placed a tremendous burden on the healthcare providers of the surrounding parishes and those in New Orleans that have reopened since the storm.

Another challenge has been the significant decrease in the number of healthcare providers in the parish. According to a 2006 Blue Cross/Blue Shield report, Orleans Parish had 2,038 physicians Pre-Katrina; only 510 physicians are on their network now. This 72 percent decrease highlights the relative loss of medical professionals in Orleans Parish. Other evidence can be found in a study conducted by the Louisiana Department of Health and Hospitals. Of 202 primary care physicians who responded to the survey, only 154 were still practicing and just 73 accepted patients dependent on Medicaid as their source of payment. Clearly, more providers are needed in Orleans Parish, particularly those who care for the uninsured and underinsured.

There is a similar story as it pertains to the capacity of Orleans Parish hospitals.

According to a 2006 report from PriceWaterhouseCooper, New Orleans had 2,258

hospital beds before Katrina. According to a March 2007 report from the Metropolitan Hospital Association, Orleans Parish now has 625 staffed beds, a reduction of 75 percent.

Fortunately, neighboring Jefferson Parish lost far less of its capacity, with its number of hospital beds decreasing from 1,922 to 1,636. Jefferson Parish hospitals have been responsive in absorbing patients from Orleans Parish. But this does not negate the critical need for more hospital beds to open in Orleans Parish to meet the needs of our ever-increasing population.

It should be noted that many parts of this region which had the greatest impact from Katrina have no access to significant healthcare facilities. These areas include the Lower Ninth Ward and New Orleans East in Orleans Parish, as well as Chalmette and other parts of St. Bernard Parish.

The difficulty in obtaining services was highlighted by the number of citizens who attended Health Recovery Week II. Along with Operation Blessing, Remote Area Medical, the Mayo Clinic and International Medical Alliance, the City hosted the outdoor clinic providing medical, dental and optical services during the last week of January. In seven days, we provided free medical services to more than 3,800 citizens, but given the need, we could have served far more people. We opened at 6 a.m. daily and by 7 a.m., we were filled to capacity for the day. Many who received health care services had serious illnesses that were not being controlled and were life-threatening.

Post-Katrina: City of New Orleans Health Department Role

The City of New Orleans Health Department must play a significant role in improving the health of the residents of our City. We need to fully staff our clinics and expand their offerings to include all preventative and primary care services. Since health outcomes are largely controlled by personal lifestyle choices, public health professionals must play a critical role in educating the public about health risks and behavior modification. These professionals also must ensure that we conduct the ongoing research necessary to understand our shifting healthcare climate.

Efforts to Repair and Renew the Healthcare System

Following Hurricane Katrina, the Bring New Orleans Back Commission, a group of City leaders convened by Mayor Nagin to design a comprehensive plan for the city's recovery, met to debate and decide on the future of the city's delivery of essential services to citizens. Commission members proposed policy recommendations for the rebuilding of the city's healthcare system. Mayor Nagin approved the following recommendations:

- Create an area-wide healthcare and human services collaborative that would develop a system of care for all segments of the population, provide primary care centers linked to hospitals and shift the focus of healthcare delivery away from institutional care toward ambulatory care and preventative medicine
- Develop comprehensive emergency preparedness plans for hospitals and collect the necessary resources to implement those plans

- Maintain a university teaching facility in New Orleans
- Empower all New Orleans citizens to play an active role in their access to healthcare services, i.e. promoting the usage of electronic medical records

Once the commission made its recommendation, the City's needs became clear but we lacked the resources to implement them. In the spring of 2006, the *One New Orleans Committee* convened to discuss how we could effectively implement the recommendations of the Bring Back New Orleans Commission. The Healthcare subcommittee cited the need to lobby for state funds to assist private hospitals in the care of indigent and uninsured patients.

The subcommittee also identified the need to amend state policy to include reimbursements for uninsured patients permitting the healthcare dollars to follow the patient and not the institutions.

During the summer of 2006, the state led the *Louisiana Health Redesign Collaborative (LHRDC)*, which was comprised of local and state stakeholders. Its key recommendations were:

- Develop a medical home model system of care
- Develop a health insurance connector
- Establish a Louisiana Healthcare Quality Forum
- Provide premium subsidy for uninsured children
- Expand coverage to pregnant women

- Give choice of coverage models, including private insurance
- Provide coverage for individuals with mental illness and addictive disorders

Mental Health

The provision of mental health services poses a particular challenge in a region that has experienced severe loss, death and destruction. According the 2006 Quality of Life Survey submitted by the University of New Orleans Survey Research Center, 20 percent or more of residents in both Orleans and Jefferson parishes are experiencing severe levels of stress and depression. This is not surprising given the obstacles our residents face in reestablishing their lives in a changed environment.

Despite this increased need, the city has fewer than 50 hospital beds for inpatient psychiatric care - about 17 percent of pre Katrina capacity. We estimate that only 20 of the 200 psychiatrists who were working in New Orleans before the storm have returned to continue their practices. The city has diligently collaborated with the LSU Health and Sciences Center Department of Psychiatry and the Metropolitan Human Services District to identify more mental health resources. New Orleans has an urgent need for more inpatient psychiatric beds, as well as new community mental health centers.

Mortality Rates

As a doctor and healthcare provider, I began to note a dramatic increase in the number of death notices in the newspaper since Hurricane Katrina. This observation was supported

further by the deaths of two staff people in my own department within a short time and anecdotal accounts of families going to more funerals than ever. Due to the lack of current state data concerning this problem, the City's Health Department engaged in a study to count the death notices posted in the Times-Picayune newspaper and compared it to a parallel period before Hurricane Katrina.

In order to validate our methodology, we compared the number of death notices printed in the newspaper in 2002 and 2003 to the published state data from death certificates. In both cases, the difference between the two was not statistically significant. In 2003, we averaged 924 deaths per month according to death notices. In contrast, for the first six months in 2006, New Orleans averaged 1,317 death notices per month. This means that approximately 7,902 citizens expired in the first six months of 2006, as compared to approximately 5,544 in the first six months in 2003. These observations, as well as the severity of health problems treated during our Health Recovery Week, strongly suggest that our citizens are becoming sick and dying at a more accelerated rate than prior to Hurricane Katrina.

We believe these findings are significant, but the City has reached the limits of its ability to research this important issue. It is critical that state and federal agencies immediately study these trends as well as the causes of death. This information can then be used to develop appropriate interventions.

We would also recommend that the federal government establish an electronic National Death Registry system to track mortality rates after any disaster that involves massive

evacuation and mobilization of people across state lines. In the case of Hurricane Katrina, New Orleans residents were required to evacuate to more than 40 states.

Conclusion

Clearly, the healthcare system in New Orleans is far from normal, but we are working diligently to make improvements. The City of New Orleans Health Department has three proposals to comprehensively and systematically rebuild our healthcare system.

1. All citizens should have immediate access to primary, preventative and mental health care services. People are suffering now and we must respond.
2. New Orleans needs more hospital beds. The shortage of beds has reached crisis proportions, and on some days ambulances have to wait for hours on emergency room ramps to offload patients.
3. We must receive the resources to rebuild our city Health Department. Our Health Department is a necessary partner in the repair and reconstruction of the City's healthcare system.

Our healthcare system had serious inadequacies and gaps before Hurricane Katrina, but the storm ruptured it to a point that many more of our citizens are have lost access to healthcare services.

Thank you for your attention to New Orleans. We look forward to working with you to solve these problems.